



CITY OF GREENBELT-MEMORANDUM

To: Michael McLaughlin *mpm*
City Manager

From: Beverly Palau *BPP*
Public Information and
Communications Coordinator

Date: February 2, 2015

Re: Comcast Merger with Time Warner

The City of Greenbelt has been in negotiations with Prince George's County and other Municipalities (the Negotiating Team) to renew the Comcast Cable franchise agreement for over a year. During this time, the current franchise expired and the negotiating team extended the franchise in order to reach agreement.

On April 10, 2014, the Negotiating Team received an FCC Form 394 requesting consent to a proposed transaction in which Comcast Corporation would acquire Time Warner Cable. The Negotiating Team reviewed the application and requested additional information from Comcast in reference to the merger. Normally, a franchising authority must respond to the request within 120 days of receipt of FCC Form 394. In order to consider the additional information the Negotiating Team asked for an extension to the 120 days. The date was extended to February 13, 2015.

Since it was evident that a final franchise agreement would not be reached by that date, the Negotiating Team worked on a Proposed Settlement Agreement that will allow us to give consent to the merger, address some of the non-compliance issues with Comcast and give us to right to address any other non-compliance issues later in the ongoing renewal process.

The Settlement Agreement will provide the following from Comcast:

- Comcast will provide 2 PEG High Definition channels, one for county use and another for use by the municipalities. The municipal channel will be segmented for each municipality's use in their community. The High Definition channel will be in addition to our current standard definition channels and be available for our use as soon as we have the equipment to do so.
- The County and Municipalities will be allowed to use up to 50% of the Public, Education, and Government (PEG) fee on PEG operational costs as long as the city matches that amount in operational costs immediately after the agreement is signed. Currently PEG fees can only be used for Capital Costs.
- Comcast will extend service to some un-served areas of Prince George's County.
- Comcast will pay out a sum that can be used towards legal fees.

The City must consent or deny the merger by February 13, 2015. Inaction by that date will assume consent. For this reason, it is recommended a resolution to consent to the merger and to sign the agreement be approved at the meeting of February 9, 2015.